

UNITED STATES CIVIL SERVICE COMMISSION  
BUREAU OF RETIREMENT AND INSURANCE  
WASHINGTON 25, D.C.

RI: GJP:ams

OCT 10 1962

[REDACTED]  
Government Employees Health Association  
Post Office Box 463  
Washington 4, D. C.

Dear [REDACTED]

This is in reference to your letter of June 18, 1962, relative to the changes in the surgical schedule in the Master Contract (Group Policy GMG-1799) between the Government Employees Health Association and Mutual of Omaha, and the letter to you, dated June 12, 1962, from Mr. A. W. Randall, Vice President, Mutual of Omaha, which sets forth other changes and interpretations of the contract agreed upon between the Association and Mutual of Omaha.

We have reviewed the items set forth in Mr. Randall's letter and agree that items 2, 5, 6(b) and (c), 8 and 9 are appropriate interpretations of the contract that do not have to be included in the contract itself. We hereby concur with the interpretations contained in these particular items.

Those portions of item 7 which set up unit allowances for procedures not now in the surgical schedule do not need to be included in the contract in view of the contract provision to the effect that a value consistent with values listed may be determined for any procedure not listed. On the other hand, those portions of item 7 which increase the unit allowance for procedures that are now listed in the schedule require the approval of the United States Civil Service Commission and an amendment to the contract. The first paragraph of Part B (Page 10 of the Master Contract) provides that benefits will be paid for surgical procedures "not to exceed" the amounts listed in the schedule. To pay benefits in a greater amount would be contrary to the terms of the contract unless it is amended to provide for the larger allowances.

Items 1, 3, and 4 relate to matters not specifically covered by the contract and might, with the concurrence of the Commission, be considered as administrative liberalizations but we prefer to see them as contract

amendments and as such, to the extent that they confer benefits, should be communicated to the enrolled employees. Otherwise they would benefit only those employees who knew about them, or who by chance or through complaint received information indicating the liberalization was applicable.

With respect to item 6(a) we have reservations as to whether the covered category of "accidental bodily injuries or sickness" excludes "intentionally, self-inflicted injuries," particularly since the brochure shows no such exclusion. To avoid any misunderstanding, it would be advisable to include a specific exclusion to that effect in the contract and brochure for the contract period beginning November 1, 1963; however, because of the possibility that it could operate as a diminution of benefits in a particular case, we would not want to incorporate an exclusion of this kind in the contract at this time.

As for item 10, we do not interpret the contract as excluding speech therapy for aphasia. Since the contract contains no exclusion of speech therapy as such, and the brochure provides under Major Medical for coverage of services and supplies by "physicians, surgeons, physical therapists, and other specialists," we believe that any determination of coverage in respect to the treatment of aphasia should be based on whether it is treatment for "injury or illness" as the contract provides and should not be excluded solely because it is speech therapy.

If you agree, we would suggest that Mutual of Omaha prepare amendments to the Master Contract incorporating the contract changes set forth in items 1, 3, 4 and 7. We will then incorporate them in the contract (CS 1065) between GEHA and the Commission. The amendments should be made effective retroactive to June 1, 1962, since it appears that the agreements reflected in the letter of June 12, 1962, were placed into effect as of the date of that letter.

Sincerely yours,

*Irving Kator*  
Irving Kator  
Assistant Chief  
Contracts and Instructions Division

*10/18/62*  
*Mutual will prepare*  
*amendment - Copy will go*  
*to [ ] of [ ]*  
*for [ ]*

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UNITED STATES CIVIL SERVICE COMMISSION  
BUREAU OF RETIREMENT AND INSURANCE  
WASHINGTON 25, D.C.

①  
[Redacted]  
Government Employees Health Assn., Inc.  
Post Office Box 463  
Washington 4, D. C.  
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Dear [Redacted]

Your attention is directed to the Federal Personnel Manual, FPM Let. 890-4(1) dated May 15, 1962, a copy of which has been furnished your office.

Numbered paragraph 7 in the covering letter signed by the Executive Director refers to the revised Form 2811 "which will be prescribed for use by the General Accounting Office, effective on or about July 1, 1962." A copy of the revised form is attached hereto and is also shown on page 106 of the Manual attachment.

Some payroll offices have not yet received a supply of this revised form and must continue to use the earlier version until they do receive their supply. We hope you will bear with them until the transitional period is over.

As you will note, the format of the revised SF 2811 eliminates the need for a special quarterly report by payroll offices to carriers, because the form now provides a perpetual inventory of covered persons. The form will no longer provide information on the number of persons from whom no deductions were made. This information will be furnished you by the Civil Service Commission twice a year, as of June and December. The count of persons enrolled in your plan who are in a non-pay status as of June 1962 will reach you in December 1962.

Sincerely yours,

*Harold E. Hunsaker*

Harold E. Hunsaker  
Chief, Office of Systems & Audits

Enclosure

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